

# Universal Credit Overpayment 'Test & Learn' Project

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# Universal Credit Update from South Lanarkshire Council

The last six years....

- South Lanarkshire Council's UC journey commenced under "Live Service" on the 5<sup>th</sup> October 2015 for single claimants only moving on to UC with approx. 900 tenants making a claim.
- On the 5<sup>th</sup> October 2017, South Lanarkshire moved to "Full Service"
- On the same day Scottish Choices for New Claims went live – 5<sup>th</sup> October 2017
- Scottish Choices for all claims – 31 January 2018
- At the end of January 2020, **5,630** council house tenants were known to be claiming UC (24% of our current tenants)

# Background

- ▶ As Universal credit has continued to roll out, the number of overpayments has increased
- ▶ A large number of our overpayments relate to historical case, created as a consequence of issues within the system build however newer cases were also arising
- ▶ The overpayment & Recovery Process was not working effectively
- ▶ Inconsistent overpayment notifications from the DWP
- ▶ With an unknown debt growing to be repaid to DWP we were keen to work with the DWP to develop a suitable process for the Tenant, Landlord & DWP

# Overpayment Test & Learn Project

IDEAS

+ ACTION

= CHANGE

- ▶ Following discussions at the Scottish UC Landlord Strategic Group, a meeting was arranged with a number of social landlords to discuss the issues in more detail.
- ▶ The result of which, was that East Lothian, Highland and South Lanarkshire offered to take part in a short term project to investigate how overpayments occurred and help inform a National process.
- ▶ Landlords expectations –
  - ▶ To understand the DWP's processes for dealing with overpayments
  - ▶ To create a more efficient and effective process for repaying overpayments
  - ▶ Provide better and advice and assistance to our tenants

# Overpayment - Definition

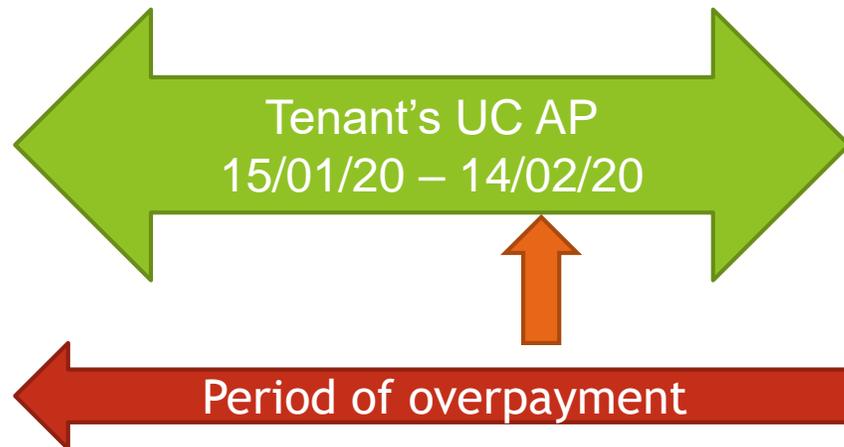
## *'Payment in excess of what is due'*

Main causes of UC overpayments

- Mistake by the claimant (non disclosure)
- End of tenancy
- Change in circumstances – resulting in nil entitlement or reduced entitlement
- Deliberate fraud by the claimant

Overpayments in UC – More complex because of the monthly assessment period

Example: Tenant moves out 02/02/20



The overpayment in this case applies for the whole period

# Project Scope

- ▶ Short term project testing the end to end processes for overpayments
- ▶ Dedicated DWP & Social Landlord Resource for investigation into cases
- ▶ Review of Notifications Process
  - ▶ UCD13 UC Overpayment Decision Notice
  - ▶ LC2 Debt Management Recovery Notice
- ▶ Four types of cases
  - ▶ Where overpayment letters had been received from DWP
  - ▶ Landlord 'known' overpayments – No DWP overpayment letters
  - ▶ Unidentifiable cases – DWP letters with insufficient information
  - ▶ Unidentifiable payments – 'Not our tenants'
- ▶ Review internal processes and procedures, and claimant experience

# Our Experience -1

- ▶ Resource intensive for both parties – realistic timescales needed to be agreed
- ▶ Dedicated staff both in LA and DWP meant that communication was effective
- ▶ Ongoing communication is crucial to the success of overpayment recovery
- ▶ Historic overpayments were difficult to reconcile due to the lack of information
- ▶ DWP are not aware of all cases that we have identified as overpayments
- ▶ Inconsistent administration processes in relation to the notification of overpayments (UCD13 & LC2 letters), not to dedicated email address.

# Our Experience - 2

- ▶ DWP's acceptance of changes in circumstances from landlords could have significantly reduced some of the overpayments i.e. evictions, abandonments..
- ▶ Agreed recovery with DWP for overpayments from our payment schedules
- ▶ Queries and clarification of policy issues for both parties (e.g temporary absence rules, decants, deaths, )\*shows the difference between HB and UC HC
- ▶ Improvements to the schedules in relation to overpayment recovery
- ▶ Review our internal processes – identify a sub account

# What next?

## Landlord's Perspective / Wish List

- ▶ DWP dedicated resource to follow up on outstanding cases not resolved during the pilot and the recovery process (LA's different I.T. systems)
- ▶ Clarification as to how the process will be managed by DWP in the future, reasonable timescales turnaround
- ▶ Assurances around consistency in the process and proper training for DWP and Landlord's staff
- ▶ Follow Up meeting with DWP to discuss the findings from the project

## DWP's Perspective

- ▶ 'Internal Report' to the Director General with a number of recommendations
- ▶ Informal arrangements to follow up some outstanding cases?



# Questions

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